HEALTH AFFAIRS

TRICARE Management Activity

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WELCOME

IM/IT SPEAKER TRACK

Moderator: Colonel Garry Stanberry

MCS 3.0 Financing Basics

- **Incentivizes Contractor & MTF to make economic choices reducing total MHS cost**
- Gov't has sole fiscal responsibility for MTF enrollees (vs. shared)
  - Strengthening incentives to manage their care
- Gov't and Contractor share fiscal responsibility for Non-MTF Enrollees (NMEs)
  - 1st $ 50/50 risk sharing (vs. 80/20) enhances incentives to make admin investments which will reduce health care cost

MCS 3.0 Financing Basics (cont.)

- MTF/Svc earns market prices for any care provided to Non-MTF Enrollees (vs no effective reimbursement)
  - Strengthening incentives to maximize use of MTF fixed costs/assets
- Monthly financial reconciliation (vs. annual)
  - Immediacy of impact strengthens all fiscal incentives

Significant IM Changes Required: Accurate MTF CPT Coding

- 7 Character coding
- Coding of inpatient procedures
- Education of providers and admin personnel
- Failures will result in lost funding via audit process:
  - External audits of sampled data
  - Results used to adjust MTF offsets

Significant IM Changes Required: Accurate/Present Patient Records

- Audit will require presence of patient records
- Outpatient record control remains a problem
- Lack of record will mean lost funding for MTF

Timelines

REGION	START	IM CAPABLE OPTIMAL	IM CAPABLE DROP DEAD
11	MAR 02	MAR 01	SEPT 01
6	NOV 02	NOV 01	MAY 02

** IF EXTENSION CANNOT BE NEGOTIATED*

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